

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 3, 2012

PROLOGIS, INC.
PROLOGIS, L.P.

(Exact name of registrant as specified in charter)

Maryland (Prologis, Inc.)
Delaware (Prologis, L.P.)
(State or other jurisdiction
of Incorporation)

001-13545 (Prologis, Inc.)
001-14245 (Prologis, L.P.)
(Commission
File Number)

94-3281941 (Prologis, Inc.)
94-3285362 (Prologis, L.P.)
(I.R.S. Employer
Identification No.)

Pier 1, Bay 1, San Francisco, California
(Address of Principal Executive Offices)

94111
(Zip Code)

Registrants' Telephone Number, including Area Code: (415) 394-9000

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Other Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

At the Annual Meeting of Stockholders of Prologis, Inc. (the "Company") held on May 3, 2012, the Company's stockholders approved and adopted the Prologis, Inc. 2012 Long-Term Incentive Plan (the "2012 LTIP").

All officers, directors and other employees, consultants, and independent contractors of the Company or its subsidiaries are eligible to become participants in the 2012 LTIP. The number of shares of common stock of the Company which may be issued under the 2012 LTIP shall be equal to 12,000,000 plus the aggregate number of shares available for issuance under prior stock option and long-term incentive plans of the Company. Awards can be in the form of stock options (non-qualified options and incentive stock options), stock appreciation rights (or SARs), full value awards and cash incentive awards.

Stock options may be granted with an exercise price of no less than fair market value of a share of common stock of the Company on the date of grant. The full purchase price of each share of common stock must be paid at the time of exercise (except if the purchase price is paid through the use of cash equivalents). Options shall expire, unless otherwise provided by the committee administering the 2012 LTIP (as defined in the 2012 LTIP), on the earliest of the one year anniversary from the participant's termination date in the event of death, disability, or retirement (as defined in the 2012 LTIP), the three month anniversary from the participant's termination date for reasons other than death, disability, or retirement, or the day prior to the participant's termination date in the event of the participant's termination for cause. In no event will a stock option expire later than the ten year anniversary of the grant date. Stock options and SARs cannot earn dividend equivalents.

A SAR entitles the participant to receive the amount (in cash or in common stock) by which the fair market value of a specified number of shares of common stock on the exercise date exceeds an exercise price established by the committee but not less than fair market value of a share of stock on the date of grant. The expiration date of a SAR is subject to the same expiration provisions as stock options. SARs do not earn dividend equivalents.

A full value award is the grant of a number of shares of common stock or a right to receive a number of shares of common stock in the future. Full value awards that are vested based on an employee's service without achievement of performance measures must have a minimum vesting period of three years unless the full value award is granted in lieu of other compensation or is a form of payment of earned performance awards or other incentive compensation. If an employee's right to become vested in the full value award is conditioned on the achievement of performance targets or objectives, then the vesting period shall be at least one year. Vesting can be prorated in the event of death, disability, retirement (as defined in the 2012 LTIP), involuntary termination, or in connection with a change in control. Full value awards may earn dividend equivalents while outstanding except that no dividend equivalents will be paid or settled on performance-based awards that have not been earned based on the performance criteria established.

A cash incentive award is the grant of a right to receive a payment of cash (or shares of common stock having the value of equivalent to the cash payable) that is contingent on achievement of performance objectives over a specified period. The grant of a cash incentive award is subject to other conditions, restrictions, and contingencies as determined by the committee, including provisions related to deferred payment.

Additional terms of the 2012 LTIP are described in the Prologis, Inc. Definitive Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission on March 23, 2012.

The 2012 LTIP is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

On May 3, 2012, our Board of Directors approved a form of Director Deferred Stock Unit Award Terms applicable to deferred stock unit awards to be granted to our directors under the 2012 LTIP. Subject to the award terms, the 2012 LTIP and any other agreement between the Company and the director, the deferred stock units awarded shall vest in their entirety on the earlier of (a) the first anniversary of the grant date or (b) the first annual meeting of the stockholders of the Company that occurs after the grant date (or the "Vesting Date") provided that the director's termination date has not occurred prior to the Vesting Date. Notwithstanding the foregoing, if the director's

termination date occurs by reason of death, disability or retirement (as defined in the 2012 LTIP), any unvested deferred stock units shall vest immediately on the termination date. As of each dividend payment date with respect to shares of the Company's common stock, directors holding deferred stock units shall be credited with dividend equivalent units for such deferred stock units in accordance with the 2012 Plan and the award terms.

The form of Director Deferred Stock Unit Award Terms is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

At the Annual Meeting of Stockholders of the Company held on May 3, 2012, the Company's stockholders approved and adopted an amendment to the Company's Articles of Incorporation (or the Articles of Amendment) to increase the number of shares of common stock that the Company has the authority to issue by 500,000,000 shares bringing the total authorized shares of common stock to 1,000,000,000.

The Articles of Amendment were filed with the State of Maryland on May 4, 2012 and are attached hereto as Exhibit 3.1 and is incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

At the Annual Meeting of Stockholders of the Company held on May 3, 2012, the Company's stockholders approved by requisite vote the proposals listed below and recommended, by non-binding vote, that future advisory votes on executive compensation be held every year. The final results for the votes regarding each proposal are set forth below. The proposals are described in further detail in the Company's Definitive Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission on March 23, 2012.

1. Elect eleven directors to the Company's board of directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified.

<u>Name</u>	<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
Hamid R. Moghadam	394,829,047	5,742,781	320,003	12,600,969
George L. Fotiades	399,657,558	1,164,068	70,205	12,600,969
Christine N. Garvey	400,171,991	669,203	50,637	12,600,969
Lydia H. Kennard	394,394,150	6,430,024	67,657	12,600,969
J. Michael Losh	329,412,830	71,409,190	69,811	12,600,969
Irving F. Lyons III	400,648,637	173,850	69,344	12,600,969
Walter C. Rakowich	400,731,161	109,459	51,211	12,600,969
Jeffrey L. Skelton	398,890,066	1,931,082	70,683	12,600,969
D. Michael Steuert	400,295,822	526,571	69,438	12,600,969
Carl B. Webb	385,834,946	14,987,647	69,238	12,600,969
William D. Zollars	399,567,009	1,254,899	69,923	12,600,969

2. Advisory vote to approve the Company's executive compensation for 2011.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
387,982,235	12,708,067	201,529	12,600,969

3. Advisory vote on the frequency of future advisory votes on the Company's executive compensation.

<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
350,435,360	100,641	50,270,665	85,165	12,600,969

4. Approve and adopt the Prologis, Inc. 2012 Long-Term Incentive Plan.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
386,630,095	14,104,592	157,144	12,600,969

5. Approve and adopt an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of common stock that the Company has the authority to issue by 500,000,000 shares.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
398,220,779	15,142,294	129,727	0

6. Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year 2012.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
409,868,171	3,548,618	76,011	0

In accordance with the outcome of the advisory vote on the frequency of future advisory votes on executive compensation at the 2012 annual meeting of stockholders, the Company has decided that, until the next required vote on the frequency of stockholder votes on executive compensation, it shall include a proposal for a stockholder vote on executive compensation in its proxy materials every year.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Prologis, Inc. Articles of Amendment dated May 4, 2012
10.1	Prologis, Inc. 2012 Long-Term Incentive Plan
10.2	Form of Director Deferred Stock Unit Award Terms

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: May 8, 2012

Prologis, Inc.
(Registrant)

By: /s/ Michael T. Blair

Michael T. Blair
Deputy General Counsel and Assistant Secretary

Prologis, L.P.
(Registrant)

By: Prologis, Inc.,
its general partner

Date: May 8, 2012

By: /s/ Michael T. Blair

Michael T. Blair
Deputy General Counsel and Assistant Secretary

PROLOGIS, INC.
ARTICLES OF AMENDMENT

THIS IS TO CERTIFY THAT:

FIRST: The charter of Prologis, Inc., a Maryland corporation (the "Corporation"), is hereby amended by deleting the first paragraph of existing Article IV in its entirety and replacing it with the following paragraph:

"The total number of shares of all classes of stock that the Corporation shall have authority to issue is 1,100,000,000, consisting of 1,000,000,000 shares of common stock, par value \$0.01 per share (the "Common Stock"), and 100,000,000 shares of preferred stock, par value \$0.01 per share (the "Preferred Stock"), which may be issued in one or more classes as described in Paragraph C of this Article IV. The aggregate par value of all of the Corporation's authorized shares having par value is \$11,000,000. The Common Stock and each class of the Preferred Stock shall each constitute a separate class of stock of the Corporation."

SECOND: The amendment to the charter of the Corporation as set forth above has been duly advised by the Board of Directors of the Corporation and approved by the stockholders of the Corporation as required by law.

THIRD:

(a) Immediately before the filing of these Articles of Amendment, the total number of shares of stock of all classes which the Corporation had the authority to issue was six hundred million (600,000,000), \$0.01 par value per share, of which five hundred million (500,000,000) shares were common stock, \$0.01 par value per share, and one hundred million (100,000,000) shares were preferred stock, \$0.01 par value per share, having an aggregate par value of six million dollars (\$6,000,000).

(b) Immediately after the filing of these Articles of Amendment, the total number of shares of stock which the Corporation has authority to issue is one billion one hundred million (1,100,000,000), \$0.01 par value per share, of which one billion (1,000,000,000) shares are common stock, \$0.01 par value per share, and one hundred million (100,000,000) shares are preferred stock, \$0.01 par value per share, having an aggregate par value of eleven million dollars (\$11,000,000).

(c) The information required by subsection (b)(2)(i) of Section 2-607 of the Maryland General Corporation Law was not changed by the amendment.

FOURTH: The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name and on its behalf by its Senior Vice President and attested to by its Assistant Secretary on this 4th day of May, 2012.

ATTEST:

/s/ Michael T. Blair

Michael T. Blair
Assistant Secretary

PROLOGIS, INC.

By: /s/ Deborah K. Briones

Deborah K. Briones
Senior Vice President

PROLOGIS, INC. 2012 LONG-TERM INCENTIVE PLAN**PROLOGIS, INC.
2012 LONG-TERM INCENTIVE PLAN****SECTION 1****GENERAL**

1.1 **Purpose.** Prologis, Inc., a Maryland corporation (“Prologis”), has established the Plan to:

- (a) attract and retain employees and other persons providing services to Prologis and the Related Companies;
- (b) attract and retain as Outside Directors the highly competent individuals upon whose judgment, initiative, leadership and continued efforts the success of Prologis depends;
- (c) motivate Participants, by means of appropriate incentives, to achieve long-range goals;
- (d) provide incentive compensation opportunities that are competitive with those of other corporations and real estate investment trusts; and
- (e) further identify Participants’ interests with those of Prologis’s other stockholders through compensation that is based on the value of Prologis’s common stock;

and thereby to promote the long-term financial interest of Prologis and the Related Companies, including the growth in value of Prologis’s equity and enhancement of long-term stockholder return.

1.2 **Defined Terms.** The meaning of capitalized terms used in the Plan are set forth in Section 8.

1.3 **Participation.** For purposes of the Plan, a “Participant” is any person to whom an Award is granted under the Plan. Subject to the terms and conditions of the Plan, the Committee shall determine and designate, from time to time, from among the Eligible Individuals those persons who will be granted one or more Awards under the Plan and, subject to the terms and conditions of the Plan, a Participant may be granted any Award permitted under the provisions of the Plan and more than one Award may be granted to a Participant. Except as otherwise agreed by Prologis and the Participant, or except as otherwise provided in the Plan, an Award under the Plan shall not affect any previous Award under the Plan or an award under any other plan maintained by Prologis or the Related Companies.

SECTION 2**OPTIONS AND STOCK APPRECIATION RIGHTS**

2.1 **Definitions.**

- (a) The grant of an “Option” under the Plan entitles the Participant to purchase shares of Stock at an Exercise Price established by the Committee at the time the Option is granted. Options granted under this Section 2 may be either Incentive Stock Options or Non-Qualified Stock Options, as determined in the discretion of the Committee; provided, however, that Incentive Stock Options may only be granted to employees of Prologis or a Subsidiary. An Option will be deemed to be a Non-Qualified Stock Option unless it is specifically designated by the Committee as an Incentive Stock Option.
- (b) A grant of a “Stock Appreciation Right” or “SAR” entitles the Participant to receive, in cash or shares of Stock (as determined in accordance with the terms of the Plan) value equal to the excess of: (i) the Fair Market Value of a specified number of shares of Stock at the time of exercise; over (ii) an Exercise Price established by the Committee at the time of grant.

2.2 **Eligibility.** The Committee shall designate the Participants to whom Options or SARs are to be granted under this Section 2 and shall determine the number of shares of Stock subject to each such Option or SAR and the other terms and conditions thereof, not inconsistent with the Plan. Without limiting the generality of the foregoing, the Committee may not grant dividend equivalents (current or deferred) with respect to any Option or SAR granted under the Plan.

2.3 Limits on Incentive Stock Options. If the Committee grants Incentive Stock Options, then to the extent that the aggregate fair market value of shares of Stock with respect to which Incentive Stock Options are exercisable for the first time by any individual during any calendar year (under all plans of Prologis and all Subsidiaries of Prologis) exceeds \$100,000, such Options shall be treated as Non-Qualified Stock Options to the extent required by section 422 of the Code. Any Option that is intended to constitute an Incentive Stock Option shall satisfy any other requirements of section 422 of the Code and, to the extent such Option does not satisfy such requirements, the Option shall be treated as a Non-Qualified Stock Option.

2.4 Exercise Price. The "Exercise Price" of an Option or SAR shall be established by the Committee at the time the Option or SAR is granted; provided, however, that in no event shall such price be less than 100% of the Fair Market Value of a share of Stock on such date (or, if greater, the par value of a share of Stock on such date).

2.5 Exercise/Vesting. Except as otherwise expressly provided in the Plan, an Option or SAR granted under the Plan shall be exercisable in accordance with the following:

- (a) The terms and conditions relating to exercise and vesting of an Option or SAR shall be established by the Committee to the extent not inconsistent with the Plan, and may include, without limitation, conditions relating to completion of a specified period of service, achievement of performance standards prior to exercise or the achievement of Stock ownership guidelines by the Participant.
 - (b) No Option or SAR may be exercised by a Participant prior to the date on which it is exercisable (or vested) or after the Expiration Date applicable thereto.
- 2.6 Payment of Exercise Price. The payment of the Exercise Price of an Option granted under this Section 2 shall be subject to the following:
- (a) Subject to the following provisions of this subsection 2.6, the full Exercise Price of each share of Stock purchased upon the exercise of any Option shall be paid at the time of such exercise (except that, in the case of an exercise through the use of cash equivalents, payment may be made as soon as practicable after the exercise) and, as soon as practicable thereafter, a certificate representing the shares of Stock so purchased shall be delivered to the person entitled thereto or shares of Stock so purchased or such shares of Stock shall otherwise be registered in the name of the Participant on the records of Prologis's transfer agent and credited to the Participant's account.
 - (b) Subject to applicable law, the Exercise Price shall be payable in cash or cash equivalents, by tendering, by actual delivery or by attestation, shares of Stock valued at Fair Market Value as of the day of exercise or by a combination thereof; provided, however, that shares of Stock may not be used to pay any portion of the Exercise Price unless the holder thereof has good title, free and clear of all liens and encumbrances.

2.7 Post-Exercise Limitations. The Committee, in its discretion, may impose such restrictions on shares of Stock acquired pursuant to the exercise of an Option as it determines to be desirable, including, without limitation, restrictions relating to disposition of the shares and forfeiture restrictions based on service, performance, Stock ownership by the Participant, conformity with Prologis's recoupment or clawback policies and such other factors as the Committee determines to be appropriate.

2.8 No Repricing. Except for either adjustments pursuant to subsection 4.2 (relating to the adjustment of shares), or reductions of the Exercise Price approved by Prologis's stockholders, the Exercise Price for any outstanding Option or SAR may not be decreased after the date of grant nor may an outstanding Option or SAR granted under the Plan be surrendered to Prologis as consideration for the grant of a replacement Option or SAR with a lower exercise price or a Full Value Award. Except as approved by Prologis's stockholders, in no event shall any Option or SAR granted under the Plan be surrendered to Prologis in consideration for a cash payment if, at the time of such surrender, the Exercise Price of the Option or SAR is greater than the then current Fair Market Value of a share of Stock. In addition, no repricing of an Option or SAR shall be permitted without the approval of Prologis's stockholders if such approval is required under the rules of any stock exchange on which Stock is listed.

2.9 Tandem Grants of Options and SARs. An Option may but need not be in tandem with an SAR, and an SAR may but need not be in tandem with an Option (in either case, regardless of whether the original award was granted under this Plan or another plan or arrangement). If an Option is in tandem with an SAR, the exercise price of both the Option and SAR shall be the same, and the exercise of the corresponding tandem SAR or Option shall cancel the corresponding tandem SAR or Option with respect to such share. If an SAR is in tandem with an Option

but is granted after the grant of the Option, or if an Option is in tandem with an SAR but is granted after the grant of the SAR, the later granted tandem Award shall have the same exercise price as the earlier granted Award, but in no event less than the Fair Market Value of a share of Stock at the time of such grant.

2.10 Expiration Date. The “Expiration Date” with respect to an Option or SAR means the date established as the Expiration Date by the Committee at the time of the grant (as the same may be modified in accordance with the terms of the Plan); provided, however, that the Expiration Date with respect to any Option or SAR shall not be later than the earliest to occur of the ten-year anniversary of the date on which the Option or SAR is granted or the following dates, unless the following dates are determined otherwise by the Committee,

- (a) if the Participant’s Termination Date occurs by reason of death, Disability or Retirement, the one-year anniversary of such Termination Date;
- (b) if the Participant’s Termination Date occurs for reasons other than Retirement, death, Disability or Cause, the three-month anniversary of such Termination Date; or
- (c) if the Participant’s Termination Date occurs for reasons of Cause, the day preceding the Termination Date

In no event shall the Expiration Date of an Option or SAR be later than the ten-year anniversary of the date on which the Option or SAR is granted (or such shorter period required by law or the rules of any stock exchange on which the Stock is listed).

SECTION 3

FULL VALUE AWARDS AND CASH INCENTIVE AWARDS

3.1 Definitions.

(a) A “Full Value Award” is a grant of one or more shares of Stock or a right to receive one or more shares of Stock in the future (including restricted stock, restricted stock units, deferred stock units, performance stock and performance stock units and awards with respect to partnership interests which are convertible into, exchangeable for or redeemable in shares of Stock). Such grants may be subject to one or more of the following, as determined by the Committee:

- (i) The grant may be in consideration of a Participant’s previously performed services or surrender of other compensation that may be due.
- (ii) The grant may be contingent on the achievement of performance or other objectives (including completion of service) during a specified period.
- (iii) The grant may be subject to a risk of forfeiture or other restrictions that will lapse upon the achievement of one or more goals relating to completion of service by the Participant or achievement of performance or other objectives.

The grant of Full Value Awards may also be subject to such other conditions, restrictions and contingencies, as determined by the Committee, including provisions relating to dividend or dividend equivalent rights and deferred payment or settlement. Notwithstanding the foregoing, no dividends or dividend equivalent rights will be paid or settled on performance-based awards that have not been earned based on the performance criteria established.

(b) A Cash Incentive Award is the grant of a right to receive a payment of cash (or in the discretion of the Committee, shares of Stock having value equivalent to the cash otherwise payable) that is contingent on achievement of performance objectives over a specified period established by the Committee. The grant of Cash Incentive Awards may also be subject to such other conditions, restrictions and contingencies, as determined by the Committee, including provisions relating to deferred payment.

3.2 Special Vesting Rules. Except for (a) awards granted in lieu of other compensation and (b) grants that are a form of payment of earned performance awards or other incentive compensation, if (I) an employee’s right to become vested in a Full Value Award is conditioned on the completion of a specified period of service with Prologis or the Related Companies, without achievement of performance targets or other performance objectives (whether or not related to performance measures) being required as a condition of vesting, then the required period of service for full vesting shall be not less than three years and (II) if an employee’s right to become vested in a Full Value Award

is conditioned upon the achievement of performance targets or other performance objectives (whether or not related to performance measures) being required as a condition of vesting, then the required vesting period shall be at least one year, subject, to the extent provided by the Committee, to pro rated vesting over the course of such three or one year period, as applicable, and to acceleration of vesting in the event of the Participant's death, Disability, involuntary termination, Retirement or in connection with a Change in Control.

3.3 Performance-Based Compensation. The Committee may designate a Full Value Award or Cash Incentive Award granted to any Participant as "Performance-Based Compensation" within the meaning of section 162(m) of the Code and regulations thereunder. To the extent required by section 162(m) of the Code, any Full Value Award or Cash Incentive Award so designated shall be conditioned on the achievement of one or more performance targets as determined by the Committee and the following additional requirements shall apply:

- (a) The performance targets established for the performance period established by the Committee shall be objective (as that term is described in regulations under section 162(m) of the Code), and shall be established in writing by the Committee not later than 90 days after the beginning of the performance period (but in no event after 25% of the performance period has elapsed), and while the outcome as to the performance targets is substantially uncertain. The performance targets established by the Committee may be with respect to corporate performance, operating group or sub-group performance, individual company performance, other group or individual performance, or division performance, and shall be based on one or more of the Performance Criteria.
- (b) A Participant otherwise entitled to receive a Full Value Award or Cash Incentive Award for any performance period shall not receive a settlement or payment of the Award until the Committee has determined that the applicable performance target(s) have been attained. To the extent that the Committee exercises discretion in making the determination required by this subsection 3.3(b), such exercise of discretion may not result in an increase in the amount of the payment.
- (c) If a Participant's employment terminates because of death or Disability, or if a Change in Control occurs prior to the Participant's Termination Date, the Participant's Cash Incentive Award may, to the extent provided by the Committee, become vested without regard to whether the Cash Incentive Award would be Performance-Based Compensation.
- (d) A Full Value Award designated as Performance-Based Compensation shall not vest prior to the first anniversary of the date on which it is granted (subject to acceleration of vesting, to the extent provided by the Committee, in the event of the Participant's death, Disability or Change in Control).

Nothing in this Section 3 shall preclude the Committee from granting Full Value Awards or Cash Incentive Awards under the Plan or the Committee, Prologis or any Related Company from granting any Cash Incentive Awards outside of the Plan that are not intended to be Performance-Based Compensation; provided, however, that, at the time of grant of Full Value Awards or Cash Incentive Awards by the Committee, the Committee shall designate whether such Awards are intended to constitute Performance-Based Compensation. To the extent that the provisions of this Section 3 reflect the requirements applicable to Performance-Based Compensation, such provisions shall not apply to the portion of the Award, if any, that is not intended to constitute Performance-Based Compensation.

SECTION 4

SHARES RESERVED AND LIMITATIONS

4.1 Shares and Other Amounts Subject to the Plan. The shares of Stock for which Awards may be granted under the Plan shall be subject to the following:

- (a) The shares of Stock with respect to which Awards may be made under the Plan shall be shares currently authorized but unissued or currently held or subsequently acquired by Prologis as treasury shares, including shares purchased in the open market or in private transactions.
- (b) Subject to the provisions of subsection 4.2, the number of shares of Stock which may be issued with respect to Awards under the Plan shall be equal to 12,000,000 plus the aggregate number of shares of Stock available for issuance (and not subject to outstanding awards) under the Prior Plans as of the Approval Date. Except as otherwise provided herein, any shares of Stock subject to an Award under the Plan or any award which is outstanding under a Prior Plan as of the Approval Date which for any reason is

forfeited, expires or is terminated without issuance of shares of Stock (including shares that are attributable to Awards that are settled in cash) or is tendered or withheld as to any shares in payment of the Exercise Price of the grant or the taxes payable with respect to the exercise or vesting of the Award, then such unpurchased, forfeited, tendered or withheld Shares shall thereafter be available for further grants under the Plan.

- (c) Substitute Awards shall not reduce the number of shares of Stock that may be issued under the Plan or that may be covered by Awards granted to any one Participant during any period pursuant to subsections 4.1(g) and 4.1(h).
- (d) Except as expressly provided by the terms of this Plan, the issue by Prologis of stock of any class, or securities convertible into shares of stock of any class, for cash or property or for labor or services, either upon direct sale, upon the exercise of rights or warrants to subscribe therefor or upon conversion of stock or obligations of Prologis convertible into such stock or other securities, shall not affect, and no adjustment by reason thereof, shall be made with respect to Awards then outstanding hereunder.
- (e) To the extent provided by the Committee, any Award may be settled in cash rather than in Stock.
- (f) Subject to the terms and conditions of the Plan, the maximum number of shares of Stock that may be delivered to Participants and their Beneficiaries with respect to Incentive Stock Options under the Plan shall be 5,750,000; provided, however, that to the extent that shares not delivered must be counted against this limit as a condition of satisfying the rules applicable to Incentive Stock Options, such rules shall apply to the limit on Incentive Stock Options granted under the Plan.
- (g) The maximum number of shares of Stock that may be covered by Awards granted to any one Participant during any one calendar-year period pursuant to Section 2 (relating to Options and SARs) shall be 1,500,000 shares. For purposes of this subsection 4.1(g), if an Option is in tandem with an SAR, such that the exercise of the Option or SAR with respect to a share of Stock cancels the tandem SAR or Option right, respectively, with respect to such share, the tandem Option and SAR rights with respect to each share of Stock shall be counted as covering only one share of Stock for purposes of applying the limitations of this subsection 4.1(g).
- (h) For Full Value Awards that are intended to be Performance-Based Compensation, no more than 1,500,000 shares of Stock may be delivered pursuant to such Awards granted to any one Participant during any one calendar-year period (regardless of whether settlement of the Award is to occur prior to, at the time of, or after the time of vesting); provided that Awards described in this 4.1(h) shall be subject to the following:
 - (i) If the Awards are denominated in Stock but an equivalent amount of cash is delivered in lieu of delivery of shares of Stock, the foregoing limit shall be applied based on the methodology used by the Committee to convert the number of shares of Stock into cash.
 - (ii) If delivery of Stock or cash is deferred until after the Stock has been earned, any adjustment in the amount delivered to reflect actual or deemed investment experience after the date the Stock is earned shall be disregarded.
- (i) For Cash Incentive Awards that are intended to be Performance-Based Compensation, the maximum amount payable to any Participant with respect to any twelve month performance period shall equal \$20,000,000 (pro rated for performance periods that are greater or lesser than twelve months); provided that Awards described in this subsection 4.1(i), shall be subject to the following:
 - (i) If the Awards are denominated in cash but an equivalent amount of Stock is delivered in lieu of delivery of cash, the foregoing limit shall be applied to the cash based on the methodology used by the Committee to convert the cash into Stock.
 - (ii) If delivery of Stock or cash is deferred until after cash has been earned, any adjustment in the amount delivered to reflect actual or deemed investment experience after the date the cash is earned shall be disregarded.

4.2 Adjustments to Shares of Stock. In the event of a stock dividend, stock split, reverse stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, exchange of shares, sale of assets or subsidiaries, combination, or other corporate transaction that affects the Stock such that the

Committee determines, in its sole discretion, that an adjustment is warranted in order to preserve the benefits or prevent the enlargement of benefits of Awards under the Plan, the Committee shall, in the manner it determines equitable in its sole discretion, (a) adjust the number and kind of shares which may be delivered under the Plan (including adjustments to the number and kind of shares that may be granted to an individual during any specified time as described in subsection 4.1); (b) adjust the number and kind of shares subject to outstanding Awards; (c) adjust the Exercise Price of outstanding Options and SARs; and (d) make any other adjustments that the Committee determines to be equitable (which may include, without limitation, (i) replacement of Awards with other awards which the Committee determines have comparable value and which are based on stock of a company resulting from the transaction, and (ii) cancellation of the Award in return for cash payment of the current value of the Award, determined as though the Award is fully vested at the time of payment, provided that in the case of an Option or SAR, the amount of such payment may be the excess of value of the shares of Stock subject to the Option or SAR at the time of the transaction over the exercise price).

4.3 Change in Control. In the event that (a) a Participant is employed on the date of a Change in Control and the Participant's employment or service, as applicable, is terminated by Prologis or the successor to Prologis (or a Related Company which is his or her employer) for reasons other than Cause within 24 months following the Change in Control, or (b) the Plan is terminated by Prologis or its successor following a Change in Control without provision for the continuation of outstanding Awards hereunder, all Options, SARs and related Awards which have not otherwise expired shall become immediately exercisable and all other Awards shall become fully vested. For purposes of this subsection 4.3, a Participant's employment or service shall be deemed to be terminated by Prologis or the successor to Prologis (or a Related Company) if the Participant terminates employment or service after (i) a substantial adverse alteration in the nature of the Participant's status or responsibilities from those in effect immediately prior to the Change in Control, or (ii) a material reduction in the Participant's annual base salary and target bonus, if any, or, in the case of a Participant who is an Outside Director, the Participant's annual compensation, as in effect immediately prior to the Change in Control. If, upon a Change in Control, awards in other shares or securities are substituted for outstanding Awards pursuant to subsection 4.2, and immediately following the Change in Control the Participant becomes employed by (if the Participant was an employee immediately prior to the Change in Control) or a board member of (if the Participant was an Outside Director immediately prior to the Change in Control) the entity into which Prologis merged, or the purchaser of substantially all of the assets of Prologis, or a successor to such entity or purchaser, the Participant shall not be treated as having terminated employment or service for purposes of this subsection 4.3 until such time as the Participant terminates employment or service with the merged entity or purchaser (or successor), as applicable.

SECTION 5 **COMMITTEE**

5.1 Administration. The authority to control and manage the operation and administration of the Plan shall be vested in the committee described in subsection 5.2 (the "Committee") in accordance with this Section 5. If the Committee does not exist, or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

5.2 Selection of Committee. So long as Prologis is subject to Section 16 of the Exchange Act, the Committee shall be selected by the Board and shall consist of not fewer than two members of the Board or such greater number as may be required for compliance with Rule 16b-3 issued under the Exchange Act and shall be comprised of persons who are independent for purposes of applicable stock exchange listing requirements. Any Award granted under the Plan which is intended to constitute Performance-Based Compensation (including Options and SARs) shall be granted by a Committee consisting solely of two or more "outside directors" within the meaning of section 162(m) of the Code and applicable regulations. Notwithstanding any other provision of the Plan to the contrary, with respect to any Awards to Outside Directors, the Committee shall be the Board.

5.3 Powers of Committee. The authority to manage and control the operation and administration of the Plan shall be vested in the Committee, subject to the following:

- (a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to (i) select Eligible Individuals who will receive Awards under the Plan, (ii) determine the time or times of receipt of Awards, (iii) determine the types of Awards and the number of shares of Stock covered by the Awards, (iv) establish the terms, conditions, performance targets, restrictions, and other provisions of Awards,

(v) modify the terms of, cancel or suspend Awards, (vi) reissue or repurchase Awards, and (vii) accelerate the exercisability or vesting of any Award. In making such Award determinations, the Committee may take into account the nature of services rendered by the respective employee, the individual's present and potential contribution to Prologis's or a Related Company's success and such other factors as the Committee deems relevant.

- (b) Subject to the provisions of the Plan, the Committee will have the authority and discretion to determine the extent to which Awards under the Plan will be structured to conform to the requirements applicable to Performance-Based Compensation, and to take such action, establish such procedures, and impose such restrictions at the time such Awards are granted as the Committee determines to be necessary or appropriate to conform to such requirements.
- (c) Subject to the provisions of the Plan, the Committee will have the authority and discretion to conclusively interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any agreements made pursuant to the Plan and to make all other determinations that may be necessary or advisable for the administration of the Plan.
- (d) Any interpretation of the Plan by the Committee and any decision made by it under the Plan is final and binding on all persons.
- (e) Except as otherwise expressly provided in the Plan, where the Committee is authorized to make a determination with respect to any Award, such determination shall be made at the time the Award is made, except that the Committee may reserve the authority to have such determination made by the Committee in the future (but only if such reservation is made at the time the Award is granted, is expressly stated in the Agreement reflecting the Award and is permitted by applicable law).

Without limiting the generality of the foregoing, it is the intention of Prologis that, to the extent that any provisions of this Plan or any Awards granted hereunder are subject to section 409A of the Code, the Plan and the Awards comply with the requirements of section 409A of the Code and that the Plan and Awards be administered in accordance with such requirements and the Committee shall have the authority to amend any outstanding Awards to conform to the requirements of section 409A.

5.4 Delegation by Committee. Except to the extent prohibited by applicable law or the rules of any stock exchange on which the Stock is listed, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

5.5 Information to be Furnished to Committee. Prologis and the Related Companies shall furnish the Committee such data and information as may be required for it to discharge its duties. The records of Prologis and the Related Companies as to an employee's or Participant's employment or provision of services, termination of employment or cessation of the provision of services, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee consider desirable to carry out the terms of the Plan.

5.6 Liability and Indemnification of Committee. No member or authorized delegate of the Committee shall be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his own fraud or willful misconduct; nor shall Prologis or any Related Company be liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a director or employee of Prologis or Related Company. The Committee, the individual members thereof, and persons acting as the authorized delegates of the Committee under the Plan, shall be indemnified by Prologis against any and all liabilities, losses, costs and expenses (including legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Committee or its members or authorized delegates by reason of the performance of a Committee function if the Committee or its members or authorized delegates did not act dishonestly or in willful violation of the law or regulation under which such liability, loss, cost or expense arises. This indemnification shall not duplicate but may supplement any coverage available under any applicable insurance.

SECTION 6
MISCELLANEOUS

6.1 Effective Date, Approval Date and Effect on Prior Plans. The Plan will be effective as of the date it is adopted by the Board (the "Effective Date"); provided, however, that no Awards shall be granted under the Plan prior to the Approval Date. The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards granted under it are outstanding and not fully vested or paid, as applicable; provided, however, that no new Awards shall be made under the Plan on or after the tenth anniversary of the Effective Date. Upon the Approval Date, no further awards will be made under the Prior Plans. Any awards made under the Prior Plans prior to the Approval Date shall continue to be subject to the terms and conditions of the applicable Prior Plan. If the Approval Date does not occur, awards may continue to be made under the Prior Plans subject to the terms and conditions thereof.

6.2 Limit on Distribution. Distribution of Stock or other amounts under the Plan shall be subject to the following:

- (a) Notwithstanding any other provision of the Plan, Prologis shall have no liability to deliver any Stock under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.
- (b) In the case of a Participant who is subject to Section 16(a) and 16(b) of the Exchange Act, the Committee may, at any time, add such conditions and limitations to any Award to such Participant, or any feature of any such Award, as the Committee, in its sole discretion, deems necessary or desirable to comply with Section 16(a) or 16(b) and the rules and regulations thereunder or to obtain any exemption therefrom.
- (c) To the extent that the Plan provides for issuance of certificates to reflect the transfer of Stock, the transfer of such Stock may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange on which the Stock is listed.

6.3 Liability for Cash Payments. Subject to the provisions of this Section 6, each Related Company shall be liable for payment of cash due under the Plan with respect to any Participant to the extent that such payment is attributable to the services rendered for that Related Company by the Participant. Any disputes relating to liability of a Related Company for cash payments shall be resolved by the Committee.

6.4 Withholding. All Awards and other payments under the Plan are subject to withholding of all applicable taxes, which withholding obligations may be satisfied, with the consent of the Committee, through the surrender of Stock which the Participant already owns or to which a Participant is otherwise entitled under the Plan; provided, however, previously-owned Stock that has been held by the Participant or Stock to which the Participant is entitled under the Plan may only be used to satisfy the minimum tax withholding required by applicable law (or other rates that will not have a negative accounting impact).

6.5 Transferability. Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution or, unless otherwise provided by the Committee, pursuant to a qualified domestic relations order (within the meaning of the Code and applicable rules thereunder). To the extent that the Participant who receives an Award under the Plan has the right to exercise such Award, the Award may be exercised during the lifetime of the Participant only by the Participant. Notwithstanding the foregoing provisions of this subsection 6.5, unless otherwise provided by the Committee, Awards may be transferred to or for the benefit of the Participant's family (including, without limitation, to a trust or partnership for the benefit of a Participant's family), subject to such procedures as the Committee may establish. In no event shall an Incentive Stock Option be transferable to the extent that such transferability would violate the requirements applicable to such option under section 422 of the Code.

6.6 Notices. Any notice or document required to be filed with the Committee under the Plan will be properly filed if delivered or mailed by registered mail, postage prepaid, to the Committee, in care of Prologis or the Related Company, as applicable, at its principal executive offices. The Committee may, by advance written notice to affected persons, revise such notice procedure from time to time. Any notice required under the Plan (other than a notice of election) may be waived by the person entitled to notice.

6.7 Form and Time of Elections. Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification or revocation thereof, shall be in writing filed with the applicable Committee at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require.

6.8 Agreement With Prologis or Related Company. At the time of an Award to a Participant under the Plan, the Committee may require a Participant to enter into an agreement with Prologis or the Related Company, as applicable (the "Agreement"), in a form specified by the Committee, agreeing to the terms and conditions of the Plan and to such additional terms and conditions, not inconsistent with the Plan, as the Committee may, in its sole discretion, prescribe.

6.9 Limitation of Implied Rights.

(a) Neither a Participant nor any other person shall, by reason of the Plan, acquire any right in or title to any assets, funds or property of Prologis or any Related Company whatsoever, including, without limitation, any specific funds, assets, or other property which Prologis or any Related Company, in its sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the amounts, if any, payable under the Plan, unsecured by any assets of Prologis and any Related Company. Nothing contained in the Plan shall constitute a guarantee by Prologis or any Related Company that the assets of such companies shall be sufficient to pay any benefits to any person.

(b) The Plan does not constitute a contract of employment or continued service, and selection as a Participant will not give any employee the right to be retained in the employ or service of Prologis or any Related Company, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any right as a stockholder of Prologis prior to the date on which he fulfills all service requirements and other conditions for receipt of such rights and shares of Stock are registered in his name.

6.10 Evidence. Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

6.11 Action by Prologis or Related Company. Any action required or permitted to be taken by Prologis or any Related Company shall be by resolution of its board of directors or governing body or by action of one or more members of the board or governing body (including a committee of the board or governing body) who are duly authorized to act for the board or, in the case of any Related Company which is a partnership, by action of its general partner or a person or persons authorized by the general partner, or (except to the extent prohibited by applicable law or the rules of any stock exchange on which the Stock is listed) by a duly authorized officer of Prologis.

6.12 Gender and Number. Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

6.13 Applicable Law. The provisions of the Plan shall be construed in accordance with the laws of the State of Maryland, without giving effect to choice of law principles.

6.14 Foreign Employees. Notwithstanding any other provision of the Plan to the contrary, the Committee may grant Awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan. In furtherance of such purposes, the Committee may make such modifications, amendments, procedures and subplans as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which Prologis or a Related Company operates or has employees. The foregoing provisions of this subsection 6.14 shall not be applied to increase the share limitations of Section 4 or to otherwise change any provision of the Plan that would otherwise require the approval of Prologis's stockholders.

SECTION 7
AMENDMENT AND TERMINATION

The Board may, at any time, amend or terminate the Plan, and the Board or the Committee may amend any Award Agreement, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected Beneficiary), adversely affect the rights of any Participant or Beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Board (or the Committee, if applicable); and further provided that adjustments pursuant to subsection 4.2 shall not be subject to the foregoing limitations of this Section 7; and further provided that the provisions of subsection 2.8 (relating to Option and SAR repricing) cannot be amended unless the amendment is approved by Prologis's stockholders; and provided further that, no other amendment shall be made to the Plan without the approval of Prologis's stockholders if such approval is required by law or the rules of any stock exchange on which the Stock is listed. It is the intention of Prologis that, to the extent that any provisions of this Plan or any Awards granted hereunder are subject to section 409A of the Code, the Plan and the Awards comply with the requirements of section 409A of the Code and that the Board shall have the authority to amend the Plan as it deems necessary to conform to section 409A. Notwithstanding the foregoing, Prologis does not guarantee that Awards under the Plan will comply with section 409A and the Committee is under no obligation to make any changes to any Award to cause such compliance.

SECTION 8
DEFINED TERMS

- (a) "Agreement" has the meaning set forth in subsection 6.8.
- (b) "Approval Date" means the date on which the Plan is approved by Prologis's stockholders.
- (c) "Award" means any award described in Section 2 or 3 of the Plan.
- (d) "Beneficiary" means the person or persons the Participant designates to receive the balance of his or her benefits under the Plan in the event the Participant's Termination Date occurs on account of death. Any designation of a Beneficiary shall be in writing, signed by the Participant and filed with the Committee prior to the Participant's death. A Beneficiary designation shall be effective when filed with the Committee in accordance with the preceding sentence. If more than one Beneficiary has been designated, the balance of the Participant's benefits under the Plan shall be distributed to each such Beneficiary per capita. In the absence of a Beneficiary designation or if no Beneficiary survives the Participant, the Beneficiary shall be the Participant's estate.
- (e) "Board" means the Board of Directors of Prologis.
- (f) "Cash Incentive Award" has the meaning set forth in subsection 3.1(b).
- (g) "Cause" shall mean (i) the willful and continued failure by the Participant to substantially perform his duties with Prologis or any Related Company after written notification by Prologis or the Related Company, (ii) the willful engaging by the Participant in conduct which is demonstrably injurious to Prologis or any Related Company, monetarily or otherwise, or (iii) the engaging by the Participant in egregious misconduct involving serious moral turpitude, determined in the reasonable judgment of the Committee. For purposes hereof, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that such action was in the best interest of Prologis or Related Company.
- (h) "Change in Control" means the first to occur of any of the following:
 - (i) the consummation of a transaction, approved by the stockholders of Prologis, to merge Prologis with or into or consolidate Prologis with another entity or sell or otherwise dispose of all or substantially all of its assets or the stockholders of Prologis adopt a plan of liquidation, provided, however, that a Change in Control shall not be deemed to have occurred by reason of a transaction, or a substantially concurrent or otherwise related series of transactions, upon the completion of which 50% or more of the beneficial ownership of the voting power of Prologis, the surviving corporation or corporation directly or indirectly controlling Prologis or the surviving corporation, as the case may be, is held by

the same persons (although not necessarily in the same proportion) as held the beneficial ownership of the voting power of Prologis immediately prior to the transaction or the substantially concurrent or otherwise related series of transactions, except that upon the completion thereof, employees or employee benefit plans of Prologis may be a new holder of such beneficial ownership; or

- (ii) the “beneficial ownership” (as defined in Rule 13d-3 under the Exchange Act) of securities representing 50% or more of the combined voting power of Prologis is acquired, other than from Prologis, by any “person” as defined in Sections 13(d) and 14(d) of the Exchange Act (other than any trustee or other fiduciary holding securities under an employee benefit or other similar equity plan of Prologis); or
 - (iii) at any time during any period of two consecutive years, individuals who at the beginning of such period were members of the Board cease for any reason to constitute at least a majority thereof (unless the election, or the nomination for election by Prologis’s stockholders, of each new director was approved by a vote of at least two-thirds of the directors still in office at the time of such election or nomination who were directors at the beginning of such period).
- (i) “Code” means the Internal Revenue Code of 1986, as amended.
 - (j) “Committee” has the meaning set forth in subsection 5.1
 - (k) “Disability” means, except as otherwise provided by the Committee, the Participant’s inability, by reason of a medically determinable physical or mental impairment, to engage in the material and substantial duties of his regular occupation, which condition is expected to be permanent; provided, however, that in the case of an Outside Director, “Disability” means an injury or illness which, as determined by the Committee, renders the Participant unable to serve as a director of Prologis.
 - (l) “Effective Date” has the meaning set forth in subsection 6.1.
 - (m) “Eligible Individual” means any officer, director or other employee of Prologis or a Related Company, consultants, independent contractors or agents of Prologis or a Related Company, and persons who are expected to become officers, employees, directors, consultants, independent contractors or agents of Prologis or a Related Company (but effective no earlier than the date on which such Person begins to provide services to Prologis or a Related Company), including, in each case, directors who are not employees of Prologis or a Related Company.
 - (n) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
 - (o) “Exercise Price” has the meaning set forth in subsection 2.4.
 - (p) “Expiration Date” has the meaning set forth in subsection 2.10.
 - (q) “Fair Market Value” of a share of Stock means, as of any date, the value determined in accordance with the following rules:
 - (i) If the Stock is at the time listed or admitted to trading on any stock exchange, then the Fair Market Value shall be the closing price per share of Stock on such date on the principal exchange on which the Stock is then listed or admitted to trading or, if no such sale is reported on that date, on the last preceding date on which a sale was so reported.
 - (ii) If the stock is not at the time listed or admitted to trading on a stock exchange, the Fair Market Value shall be the closing average of the closing bid and asked price of a share of Stock on the date in question in the over-the-counter market, as such price is reported in a publication of general circulation selected by the Committee and regularly reporting the market price of Stock in such market.
 - (iii) If the Stock is not listed or admitted to trading on any stock exchange or traded in the over-the-counter market, the Fair Market Value shall be as determined by the Committee in good faith.
- For purposes of determining the Fair Market Value of Stock that is sold pursuant to a cashless exercise program, Fair Market Value shall be the price at which such Stock is sold.
- (r) “Full Value Award” has the meaning set forth in subsection 3.1(a).

- (s) “Incentive Stock Option” means an Option that is intended to satisfy the requirements applicable to an “incentive stock option” described in section 422 of the Code.
- (t) “Non-Qualified Stock Option” means an Option that is not intended to be an Incentive Stock Option.
- (u) “Option” has the meaning set forth in subsection 2.1(a).
- (v) “Outside Director” means a director of Prologis who is not an officer or employee of Prologis or the Related Companies.
- (w) “Participant” shall have the meaning set forth in subsection 1.3.
- (x) “Performance-Based Compensation” shall have the meaning set forth in subsection 3.3.
- (y) “Performance Criteria” means performance targets based on one or more of the following criteria (i) earnings including operating income, net operating income, same store net operating income, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items or book value per share (which may exclude nonrecurring items) or net earnings; (ii) pre-tax income or after-tax income; (iii) earnings per share (basic or diluted); (iv) operating profit; (v) revenue, revenue growth or rate of revenue growth; (vi) return on assets (gross or net), return on investment (including cash flow return on investment), return on capital (including return on total capital or return on invested capital), or return on equity; (vii) returns on sales or revenues; (viii) operating expenses; (ix) stock price appreciation; (x) cash flow (before or after dividends), free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, cash flow in excess of cost of capital or cash flow per share (before or after dividends); (xi) implementation or completion of critical projects or processes; (xii) economic value created; (xiii) cumulative earnings per share growth; (xiv) operating margin or profit margin; (xv) stock price or total stockholder return; (xvi) cost targets, reductions and savings, productivity and efficiencies; (xvii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation and other legal matters, information technology, and goals relating to contributions, dispositions, acquisitions, development and development related activity, capital markets activity and credit ratings, joint ventures and other private capital activity including generating incentive and other fees and raising equity commitments, and other transactions, and budget comparisons; (xviii) personal professional objectives, including any of the foregoing performance targets, the implementation of policies and plans, the negotiation of transactions, the development of long-term business goals, formation and reorganization of joint ventures and other private capital activity including generating incentive and other fees and raising equity commitments, research or development collaborations, and the completion of other corporate transactions; (xix) funds from operations (FFO) or funds available for distribution (FAD); (xx) economic value added (or an equivalent metric); (xxi) stock price performance; (xxii) improvement in or attainment of expense levels or working capital levels; (xxiii) operating portfolio metrics including leasing and tenant retention, or (xxiv) any combination of, or a specified increase in, any of the foregoing. Where applicable, the performance targets may be expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of Prologis, a Related Company, or a division or strategic business unit of Prologis, or may be applied to the performance of Prologis relative to a market index, a group of other companies or a combination thereof, all as determined by the Committee. The performance targets may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). Each of the foregoing performance targets shall be determined in accordance with generally accepted accounting principles, if applicable, and shall be subject to certification by the Committee; provided that the Committee shall have the authority to exclude, impact of charges for restructurings, discontinued operations, extraordinary items and other unusual or non-recurring events, the cumulative effects of tax or accounting principles and identified in financial statements, notes to financial statements, management’s discussion and analysis or other SEC filings and items that many not be infrequent or unusual but which may have inconsistent effects on performance and which are in accordance with Regulation G issued under the Sarbanes-Oxley Act of 2002.

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- (z) “Prior Plans” means the ProLogis 2006 Long-Term Incentive Plan, the ProLogis 1997 Long-Term Incentive Plan, the ProLogis 2000 Share Option Plan for Outside Trustees, The Amended and Restated 2002 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P., and The Third Amended and Restated 1997 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P.
- (aa) “Prologis” has the meaning set forth in subsection 1.1.
- (bb) “Related Company” means any corporation, partnership, joint venture or other entity during any period in which a controlling interest in such entity is owned, directly or indirectly, by Prologis (or by any entity that is a successor to Prologis), and any other business venture designated by the Committee in which Prologis (or any entity that is a successor to Prologis) has, directly or indirectly, a significant interest (whether through the ownership of securities or otherwise), as determined in the discretion of the Committee.
- (cc) “Retirement” means, unless otherwise provided by the Committee, with respect to any Participant, the occurrence of a Participant’s Termination Date after both of the following conditions are met: (i) the Participant has attained at least age 62 and (ii) the sum of his age and service with the Company and the Related Companies (including any predecessors thereto) equals or exceeds 75.
- (dd) “SAR” or “Stock Appreciation Right” has the meaning set forth in subsection 2.1(b).
- (ee) “Subsidiary” means a corporation that is a subsidiary of Prologis within the meaning of section 424(f) of the Code.
- (ff) “Substitute Award” means an Award granted or shares of Stock issued by Prologis in assumption of, or in substitution or exchange for, an award previously granted, or the right or obligation to make a future award, in all cases by a company acquired by Prologis or any Related Company or with which Prologis or any Related Company combines. In no event shall the issuance of Substitute Awards change the terms of such previously granted awards such that the change, if applied to a current Award, would be prohibited under Section 2.8.
- (gg) “Stock “ means Prologis, Inc. common stock, \$.01 par value.
- (hh) “Termination Date” means the date on which a Participant both ceases to be an employee of Prologis and the Related Companies and ceases to perform material services for Prologis and the Related Companies (whether as a director or otherwise), regardless of the reason for the cessation; provided that a “Termination Date” shall not be considered to have occurred during the period in which the reason for the cessation of services is a leave of absence approved by Prologis or the Related Company which was the recipient of the Participant’s services; and provided, further that, with respect to an Outside Director, “Termination Date” means date on which the Outside Director’s service as an Outside Director terminates for any reason.

DIRECTOR DEFERRED STOCK UNIT AWARD TERMS
PROLOGIS, INC 2012
LONG-TERM INCENTIVE PLAN

Effective as of _____ (the "Grant Date"), _____ (the "Participant") has been granted a Full Value Award under the Prologis, Inc. 2012 Long-Term Incentive Plan (the "Plan") in the form of deferred stock units (the "Award"). The Award shall be subject to the following terms and conditions (sometimes referred to as the "Award Terms").

1. Award. Subject to the Award Terms and the Plan, the Participant is hereby granted _____ deferred stock units (the "Units"). This Award contains the right to credits of dividend equivalent units ("Dividend Equivalent Units") as described in Section 4. Each vested Unit and Dividend Equivalent Unit shall be paid in accordance with Section 5.
2. Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in the Award Terms.
3. Vesting. Subject to the Award Terms, the Plan and any other agreement between Prologis, Inc. ("Prologis") and the Participant, the Units awarded hereunder shall vest in their entirety on the earlier of (a) the first anniversary of the Grant Date or (b) the first annual meeting of the stockholders of Prologis that occurs after the Grant Date (which date shall be referred to as the "Vesting Date") provided that the Participant's Termination Date has not occurred prior to the Vesting Date. Notwithstanding the foregoing, if the Participant's Termination Date occurs by reason of death, Disability or Retirement, any unvested Units shall vest immediately on the Termination Date and the Termination Date shall be the "Vesting Date" for purposes of the Award Terms. All Units which are not vested on or before the Participant's Termination Date shall immediately expire and shall be forfeited upon the Participant's Termination Date and the Participant shall have no further rights with respect to such Units.
4. Dividend Equivalent Payments. As of each dividend payment date with respect to Stock, the Participant shall be credited with Dividend Equivalent Units as follows:
 - (a) If a Stock dividend is paid or distributed with respect to shares of Stock, then the Participant will be credited with that number of additional deferred stock units in the form of Dividend Equivalent Units equal to the product of (i) the number of shares of Stock paid or distributed in the dividend with respect to a share of Stock, multiplied by (ii) the number of Units and previously credited Dividend Equivalent Units outstanding under this Award as of the dividend payment date.

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- (b) If a cash dividend is paid or distributed with respect to a share of Stock, then the Participant will be credited with that number of additional Stock Units equal to the product of (i) the number of Units and previously credited Dividend Equivalent Units outstanding under this Award as of the dividend payment date, multiplied by (ii) the quotient of the amount of the cash dividend per share of Stock divided by the Fair Market Value of a share of Stock on the dividend payment date.

Dividend Equivalent Units will be subject to the same vesting, expiration and forfeiture terms as apply to the Units to which they relate and will be paid at the same time and in the same form as the Units to which they relate in accordance with Section 5.

5. Payment. Subject to the Award Terms, the Units and Dividend Equivalent Units granted hereunder shall be deemed deferred in accordance with the terms of the Prologis, Inc. Nonqualified Deferred Compensation Plan (or a successor thereto, the "Deferred Compensation Plan") and shall be credited to the Participant's accounts under the Deferred Compensation Plan as of the Vesting Date in accordance with the terms of the Deferred Compensation Plan. Following the Vesting Date, payment of all of the Participant's rights with respect to such amounts shall be made in accordance with and shall be subject to the terms of the Deferred Compensation Plan; provided, however, that unless otherwise elected by the Participant under the Deferred Compensation Plan, payment with respect to vested Units and corresponding Dividend Equivalent Units shall be made within 90 days following the third anniversary of the Grant Date and the Participant shall not be permitted to elect the calendar year of payment.

6. Units and Dividend Equivalent Units Are Not Stock Neither award of Units nor the corresponding right to Dividend Equivalent Units under the Award Terms constitutes the award of Stock, and nothing in the Award Terms shall be construed to give the Participant any rights as a stockholder of Prologis prior to payment of Units or corresponding Dividend Equivalent Units.

7. Transferability. This Award is not transferable except as designated by the Participant by will or by the laws of descent and distribution.

8. Adjustment of Award. All Units and Dividend Equivalent Units subject to the Award Terms shall be adjusted by the Committee in accordance with subsection 4.2 of the Plan (or a successor provision) to reflect certain corporate transactions which affect the number, type or value of the Units or Dividend Equivalent Units.

9. Change in Control. In the event that, prior to the Vesting Date and prior to the date on which the Award has otherwise expired or been forfeited (a) the Participant's service is terminated by Prologis or the successor to Prologis other than for Cause within 24 months following a Change in Control or (b) the Plan is terminated by Prologis or its successor following a Change in Control without provision for the continuation of the Award, all Units and Dividend Equivalent Units, to the extent they have not otherwise expired or been cancelled or forfeited, shall immediately vest and

the date of the vesting shall be the "Vesting Date". Any Units and Dividend Equivalent Units that vest pursuant to this Section 9 shall be paid as soon as practicable following the Vesting Date but in no event later than March 15 of the year following the year in which the Vesting Date occurs; provided, however, that if the Units and Dividend Equivalent Units that vest pursuant to this Section 9 are subject to section 409A of the Code, payment on account of the vesting shall be permitted only if the payment is a permitted payment event under section 409A of the Code and, if the payment on account of vesting is not a permitted payment event under section 409A, the Units and Dividend Equivalent Units shall vest in accordance with this Section 9 but payment shall be made in accordance with Section 5 as of the date payment would otherwise have been made without regard to the vesting of the Units and Dividend Equivalent Units under this Section 9.

10. Award Not Contract of Service. The Award does not constitute a contract of continued service, and the grant of the Award shall not give the Participant the right to be retained in the service of Prologis or any Related Company, nor any right or claim to any benefit under the Plan or the Award Terms, unless such right or claim has specifically accrued under the terms of the Plan and the Award Terms.

11. Administration. The authority to administer and interpret the Award Terms shall be vested in the Committee, and the Committee shall have all the powers with respect to the Award Terms as it has with respect to the Plan. Any interpretation of the Award Terms by the Committee and any decision made by it with respect to the Award Terms is final and binding on all persons.

12. Plan Governs. The Award Terms shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of Prologis.

13. Amendment and Termination. The Board may at any time amend or terminate the Plan, provided that, in the absence of written consent to the change by the Participant (or, if the Participant is not then living, the Participant's Beneficiary) no such amendment or termination may materially adversely affect the rights of the Participant or Beneficiary awarded hereunder. Adjustments pursuant to subsection 4.2 of the Plan (or a successor provision) and amendments to conform to the requirements or provisions of section 409A of the Code shall not be subject to the foregoing limitations.

14. Special 409A Provisions. To the extent that any payments or benefits under the Award Terms are subject to section 409A of the Code and are paid or provided on account of the Participant's termination of service, the determination as to whether the Participant has had a termination of service (or separation from service) shall be made in accordance with section 409A of the Code and the guidance issued thereunder. To the extent applicable, the Award Terms are intended to conform to the requirements of section 409A of the Code and shall be interpreted in all respects in accordance with section 409A of the Code.